

Audit's[®] NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

Realty Trust Review

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INVESTMENT OUTLOOK: CONTINUED HIGH INFLATION DOMINATES YOUR INVESTMENTS

As we look into the early part of the 1980s, we think your investment stance will continue to be dominated by prospects of continued high and perhaps even higher inflation rates. If our view is correct, this means continued high interest rates even though it's possible we're near a short-term peak in rates.

This concern with the course of interest rates over the longer-term is why we now see the mortgage trusts as less attractive for the longer pull, as expressed last issue. They still have allure as trading plays on short-

term rates, however.

Our outlook for higher inflation is compelled by a hard look at energy costs. Energy costs now account for about 10% of GNP. If you assume that energy costs will double every three years -- as they have been doing the last three -- then energy could command 20% of GNP over the next three years. Moreover, energy cost rises tend to surge through the economy with a multiplier -- simply because Social Security, many labor contracts, and other items are indexed to the Consumer Price Index. That multiplier may be 1 $\frac{1}{2}$ -time or more. All this means inflation likely will hold in the 10%-15% range for some time. That's why shares of property trusts leveraged with fixed-rate debt are your best buy now.

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REAL ESTATE DISCLOSURE DIGEST's Nov. 16 issue contains the bi-monthly Relative Appeal Rankings for major investment builders, merchant builders, and mortgage financing companies.

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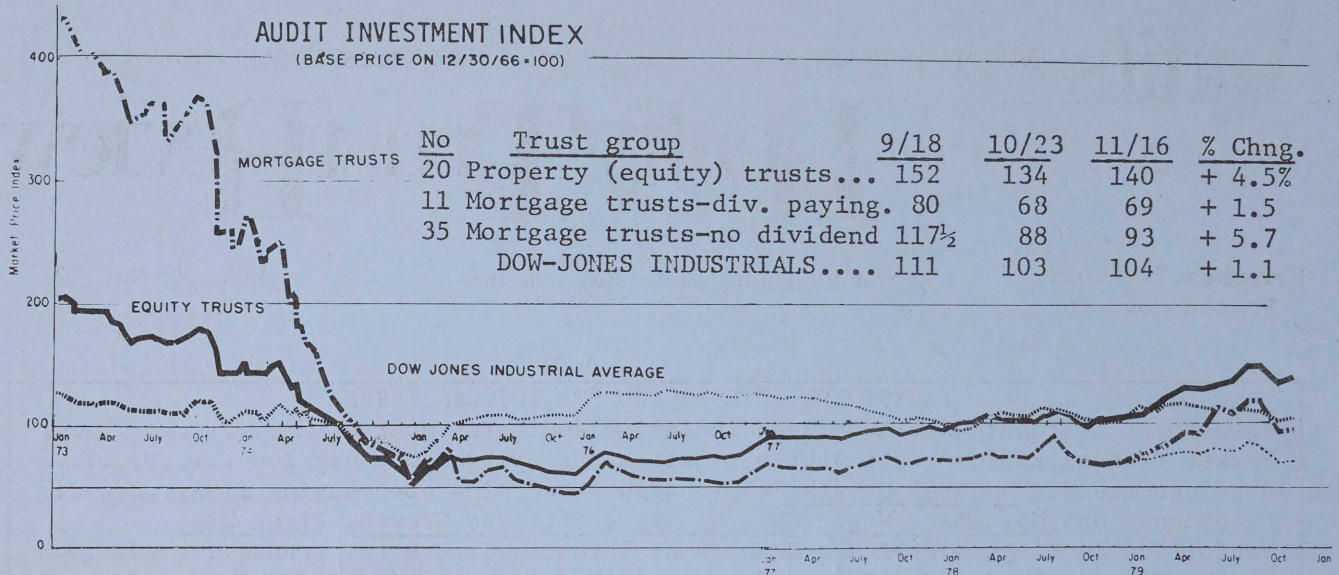
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**FINANCING TRUSTS: COMPASS INV. GROUP
OFFERS 16¼% COUPON TO STEM DILUTION**

Compass Investment Group is offering to swap \$1,000 principal of a new 16¼% senior subordinated debenture due 1994 plus \$200 cash for \$1,000 principal of its old 8¼% convertible subordinated debentures due 1998. The old 8¼s carry \$115.50 past due interest and are convertible into common at \$1.35/share.

The swap offer is an open attempt to minimize potential dilution arising from a reduction in conversion price of the 8¼s to \$1.35/sh. last Dec. 1, under a formula set many years before. The \$14.39 million debentures could thus be converted into another 10.66 million sh. vs. 3.30 million sh. now outstanding.

California investors John Wertin and Joseph Akerman own 46% of outstanding shares and a successful swap (Compass seeks a minimum 50% acceptance) would reduce the possibility of a change in control. Wertin & Akerman obtained their shares by converting at \$1.35.

Compass set the high interest rate after an investment banker reported such rates were needed to offer hope the new debenture would sell near par in today's peak interest rate market. And the trust set Nov. 15 as record date for paying the regular semi-annual interest plus \$16.50 past-due interest, so that tendering debenture holders can collect both those

payments and the higher interest on the new debentures. While there's risk of default, the offer looks very sweet for 8¼% holders and most should accept.

Northwestern Mutual Life Mtg. & Rl. has registered \$25 million variable rate notes due 1987 for sale through B.C. Ziegler & Co. The notes may be converted into 9% debentures due 1999 anytime up to six months before maturity at the holders' option. The offering parallels a \$50 million floating rate note offering by Equitable Life Mtg. & Rlty. in August.

Two trusts have raised funds by mortgaging properties. First Union RE put a \$10 million, 5-year, 11-1/8% second on its Crossroads Mall in Fort Dodge, Ia. The loan preserves two existing low-rate first mortgages, which will be repaid in five years when the second expires. The center can then be refinanced. Along with FUR's recent \$35 million subordinated debentures, the move eliminates First Union's vulnerability to short-term rates. Federal Realty raised \$3.2 million by putting a 10½% first mortgage on its previously unmortgaged Akers shopping center, Gastonia, N.C. The new loan is due in 15 years but payments are based on a 27-year amortization table. Proceeds go to repay bank debt.

PORTFOLIO: Audit and its employees hold beneficially minor positions in First Newport, Homac-Barnes, Metroplex Rl., Midland Mtg., Moraga, PNB, & United Rl.

Summary of Comparative Trust Group Averages for the Month

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	19	0	19	2203	15.81	1.29	1.46	16.14	4.3	18.6	11.0	8.0	2.1	9.3	743.4
-SMALL	7	0	7	976	13.66	1.33	1.59	12.93	1.0	18.9	8.1	10.3	-5.3	11.7	84.5
-SUBOR LAND	3	0	3	1862	16.32	1.38	1.75	16.29	11.4	40.7	9.3	8.5	-0.2	10.7	84.5
AVERAGE 3 PROP GROUPS			29	1871	15.34	1.30	1.52	15.38	4.4	20.7	10.1	8.5	0.3	9.9	912.4
PROP & MTG COMBINATION	13	11	24	2423	10.99	0.45	0.67	9.22	2.8	39.8	13.7	4.9	-16.1	6.1	577.2
SHORT-TERM MTG	11	0	11	2060	16.03	0.91	1.01	9.92	1.4	7.8	9.8	9.1	-38.1	6.3	256.9
LONG-TERM MTG/PROP	10	0	10	3334	16.42	1.17	1.06	10.03	7.3	2.3	9.5	11.6	-38.9	6.4	315.9
MTG/FCLSD PROP-MISC	5	5	10	3172	4.78	0.00	0.68	3.61	2.9	43.0	5.3	0.0	-24.4	14.2	116.3
-BANK	0	14	14	2589	5.18	0.01	0.20	3.90	6.5	44.8	19.3	0.4	-24.7	3.9	114.3
-INDEPEND	0	38	38	3408	2.95	0.00	0.30	2.81	0.6	26.1	9.5	0.0	-4.7	10.0	250.1
AVERAGE 3 MTG/FCLSD PROP			62	3184	3.74	0.00	0.33	3.18	2.6	33.8	9.5	0.1	-15.0	9.0	480.7
OVERALL AVERAGE	68	68	136	2690	9.42	0.51	0.75	7.90	3.7	22.8	10.4	6.6	-16.2	8.0	2543.1
DOW-JONES INDUSTRIAL AVERAGE								128.99	815.70	1.1	1.3	6.3	6.1		

*LATEST QUARTER ANNUALIZED

MARKET TRENDS: REALTY TRUST SHARES VOLATILE, BUT UP FROM MONTH AGO LOWS

Realty trust shares were up 3.7% in the past month, compared to a 1.1% increase in the Dow Jones Industrial Index. While all the groups showed gains, ranging from the 11.4% average increase posted by the three subordinated land leaseback trusts to the 0.6% increase of the independent nonqualified trusts, within the groups, however, prices fluctuated widely, as indicated by the following table of the five largest gainers and losers in the last month.

Gainers

Lincoln Mortgage.....	+50.0%
First Wisconsin Mortgage.....	+46.1%
Wachovia Realty.....	+24.2%
North American Mortgage.....	+21.5%
Midland Mortgage.....	+21.0%

Losers

Capital Mortgage.....	-72.6%
Citizens Mortgage.....	-37.5%
Lifetime Community.....	-25.0%
Citizens Growth.....	-22.2%
Metroplex Realty.....	-20.6%

Of the trusts listed, only North American Mortgage is a qualified REIT,

and it does not pay a dividend. The movement in these shares indicates the speculative interest in REIT stocks. On the upside, various investment groups have holdings in First Wisconsin, Midland and NAMI, while Lincoln and Wachovia are speculations respectively on rebuilding book and on liquidating. Of the losers, Citizens Mortgage, Lifetime Community and Metroplex Realty are reorganization speculations whose merger potential has lessened in a tight money market.

Overall, the qualified trusts showed less volatile movements than the non-qualified trusts and corporations. The long-term mortgage and property trusts showed the biggest gain other than the subordinated land-leaseback group, up 7.3% as it begins to appear that interest rates are finally peaking. We continue to feel, however, that this group remains relatively unattractive with price movements determined by shifts in the interest rate, with little appreciation potential. The group is currently yielding 11.6%.

The large equity trusts have an average yield of 8.0% following a price increase of 4.3% and remain attractive. Use Relative Appeal Rankings to choose stocks in other groups.

Profile of Realty Trust Balance Sheets at Latest Report

		----Invested Assets----		% Non- and	% Change	Loss	Foreclosed	All	Shareholders	Depre-	Taxloss
	Number	Total	Non/Low-Earn.	Low-earning	in Month	Reserve	Property	Debt	Equity	ciation	Carryforward
PROPERTY.....	29	\$ 1,785M	\$ 49M	3%	0.0%	\$ 14M	\$ 23M	\$1,158M	\$ 644M	\$258M	\$ 2.2M
PROPERTY & MTG.....	24	1,927	317	16	-4.4	53	170	1,209	571	147	138.5
SHORT/TERM MTG.....	11	1,108	125	11	-3.0	25	97	700	417	5	16.4
MTG/PROPERTY.....	10	1,071	96	9	-4.5	11	83	593	488	8	0.0
MTG/FORECLOSED PROP.	62	4,715	3,110	66	-6.7	783	2,143	3,684	377	72	1,943.1
TOTALS/AVERAGES....	136	\$10,607M	\$3,697M*	35%	-3.3%	\$ 886M	\$2,516M	\$7,343M	\$2,497M	\$490M	\$2,100.4M

* Includes \$997M or 9.4% low-earning assets.

M=Million.

RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROPERTY TRUSTS-OVER \$25M ASSETS													
2	AM EQUITY INV #	OC-AEQTS	2497	11.08	1.50	JUN	1.36	10.50	10.5	31.3	7.7	14.3	26.2
NR	COMMONWLTHT RLTY#	OC-CRTYC	1344	9.73	0.40	MAY	0.75	7.25 X	-13.5	-23.7	9.7	5.5	9.7
3	CONSOL CAP RLY#	OC-CCPLS	1989	26.00	2.28	AUG	2.00	28.50 X	2.5	14.0	14.3	8.0	56.7
2	DENVER REI ASH#	OC-DENVS	1101	17.49	1.00	SEP	1.80	18.50	-3.9	76.2	10.3	5.4	20.4
1	FEDERAL REALTY#	AS-FRT	1434	13.87	1.40	JUN	1.00	15.00	-4.8	0.8	15.0	9.3	21.5
1	FIRST UNION RE#	NY-FUR	4929	16.13	1.20	SEP	1.24	14.38	4.6	33.8	11.6	8.3	70.9
1	FLORIDA GLF RL#	OC-FGLFS	997	20.36	1.28	JUL	1.58	14.75	5.4	25.5	9.3	8.7	14.7
1	GENERAL GROWTH#	NY-GGP	6202	11.31	1.56	SEP	2.18	35.38	0.7	34.1	16.2	4.4	219.4
2	GOULD INVESTOR#	AS-GTR	1170	18.83	1.28	JUN	1.64	13.13	6.1	52.1	8.0	9.7	15.4
2	GREIT REALTY	AS-GRT	998	11.47	0.40	JUL	0.72	9.88	4.0	38.6	13.7	4.0	9.9
2	HUBBARD REI	NY-HRE	4004	24.91	1.72	JUL	1.84	17.25	7.3	6.9	9.4	10.0	69.1
2	NEW PLAN RL TR#	AS-NPR	3041	6.10	0.84	APR	0.72	9.13 X	8.2	-1.3	12.7	9.2	27.8
1	PENN REIT	AS-PEI	1561	13.91	1.65	AUG	3.24	21.75	12.2	33.8	6.7	7.6	34.0
2	REIT OF AMERICA	AS-REI	1633	22.61	1.60	AUG	1.63	18.00	2.9	15.2	11.0	8.9	29.4
2	SAN FRAN RE IN#	AS-SFI	1399	25.12	1.76	SEP	1.84	21.50 X	11.8	16.2	11.7	8.2	30.1
NR	UNIVERSITY REI#	OC-URETS	2514	9.19	0.96	JUN	0.31	8.75	-2.8	-11.4	28.2	11.0	22.0
NR	USP RE EST INV#	OC-USPTS	2500	9.34	0.76	SEP	0.79	6.25	-3.8	-19.4	7.9	12.2	15.6
2	VIRGINIA REIT #	OC-VARES	1017	14.45	0.80	SEP	0.80	10.50 X	4.4	-10.6	13.1	7.6	10.7
2	WASH RE (WRIT)#	AS-WRL	1519	18.44	2.12	JUN	2.36	26.25	-3.2	25.0	11.1	8.1	39.9
GROUP AVERAGE			2203	15.81	1.29		1.46	16.14	4.3	18.6	11.0	8.0	743.4
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS													
NR	GENERAL RE SHS	OC-GRELS	557	7.69	1.21	JUN	0.92	10.50 X	4.6	40.0	11.4	11.5	5.8
1	HOTEL INVESTOR#	AS-HOT	1682	19.61	2.20	MAY	3.16	19.50	-0.7	22.8	6.2	11.3	32.8
NR	PITTS & W VA RR	AS-PW	1510	23.08	0.56	JUN	0.72	5.25	-2.4	-8.7	7.3	10.7	7.9
NR	RL EST INV PRP#	OC-REIPS	959	8.59	1.28	JUN	1.48	10.75	0.0	-2.3	7.3	11.9	10.3
NR	REIT OF CALIF	OC-RTCAL	719	10.24	1.28	SEP	1.60	17.00	6.3	13.3	10.6	7.5	12.2
NR	TERRYDALE RLTY#	OC-TRYLS	336	23.36	1.80	JUN	2.28	19.00	-2.6	35.7	8.3	9.5	6.4
NR	US EQUITY & MTG	OC-USEM	1067	3.02	1.00	JUL	0.99	8.50	-15.0	21.4	8.6	11.8	9.1
GROUP AVERAGE			976	13.66	1.33		1.59	12.93	1.0	18.9	8.1	10.3	84.5
PROPERTY TRUSTS-SUBOR LAND LEASEBACK													
3	ICM REALTY	AS-ICM	3011	15.53	0.50	AUG	1.56	13.88	13.3	63.3	8.9	3.6	41.8
2	JMB REALTY	OC-JMBRS	510	19.71	2.12	MAY	2.16	19.00	0.0	24.6	8.8	11.2	9.7
2	PROPERTY CAPITL	AS-PCL	2065	13.73	1.52	OCT	1.52	16.00	15.3	45.5	10.5	9.5	33.0
GROUP AVERAGE			1862	16.32	1.38		1.75	16.29	11.4	40.7	9.3	8.5	84.5
PROPERTY & MTG COMBINATION													
3N	API TRUST	OC-APITS	1012	7.78	0.00	JUN	0.03	1.50	0.0	-29.6	50.0	0.0	1.5
3	BANKAMER RLTY	OC-BRLTS	3547	17.28	1.20	OCT	0.92	15.75	14.5	51.7	17.1	7.6	55.9
3N	BRT REALTY	AS-BRT	1400	1.89	0.00	AUG	0.00	1.00	-11.5	-20.0	0.0	0.0	1.4
1	CONN GENL M&R #	NY-CGM	5817	20.55	2.00	SEP	2.38	23.00	8.8	27.8	9.7	8.7	133.8
2	FLATLEY RL INV#	OC-FLTLS	1000	9.88	0.30	JUN	0.30	5.50	-8.3	46.7	6.9	5.5	5.5
2	IRT PROPERTY CO#	AS-IRT	2330	10.64	0.60	SEP	1.32	10.00 X	18.2	35.5	7.6	6.0	23.3
2	MILLER(HS) TRST	OC-HSHTS	560	18.68	1.40	AUG	1.60	18.00	0.0	44.0	11.3	7.8	10.1
1	MORTGAGE GROWTH#	AS-MTG	2645	11.91	0.96	AUG	0.89	8.75	-2.8	27.2	9.8	11.0	23.1
2	PACIFIC RL TR#	AS-PTR	840	22.65	1.00	AUG	2.52	21.88	-2.8	57.6	8.7	4.6	18.4
2	PROPTY TR AMER#	OC-PTAS	2338	9.02	0.40	JUN	0.44	6.13	-1.9	32.4	13.9	6.5	14.3
2	REALTY INCOME	AS-RIT	1591	10.54	1.40	JUL	0.00	10.25	2.5	-6.8	0.0	13.7	16.3
2N	RIVIERE REALTY#	OC-N/A	783	11.83	0.00	SEP	0.00	6.25	0.0	7.4	0.0	0.0	4.9
3	WELLS FARGO M&E	NY-WFM	3940	18.05	1.40	SEP	1.80	13.75 X	1.6	20.8	7.6	10.2	54.2
GROUP AVERAGE			2139	13.13	0.82		0.98	10.90	4.9	30.1	11.2	7.5	362.7
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR													
2	BAYSWATER RLTY	OC-BRITS	1043	15.65	0.05	APR	0.35	9.50	-7.3	26.7	27.1	0.5	9.9
2	CENTRAL MTG&RLY	OC-CMRTS	775	13.79	0.60	SEP	0.92	9.50 X	-3.5	85.2	10.3	6.3	7.4
4	EQUIT LF MTG&RL	NY-EQ	5663	23.36	2.00	JUL	1.88	14.75	-5.6	-11.9	7.8	13.6	83.5
3	FIRST CONTNL RE	OC-FCRES	2106	10.48	1.12	AUG	1.28	7.38	-1.6	-7.8	5.8	15.2	15.5
4	FRASER MTG	OC-FRASS	1038	16.57	1.12	AUG	1.08	9.50	0.0	-9.5	8.8	11.8	9.9
3N	HANOVER SQ RLTY	AS-HSQ	946	11.17	0.00	MAY	0.00	6.00	-4.0	-14.3	0.0	0.0	5.7
3	LOMAS & NET MTG	NY-LQM	3700	28.00	2.60	SEP	2.60	17.63	-0.7	14.6	6.8	14.7	65.2
3	M&T MORTGAGE	OC-MTMIS	1482	10.53	1.80	AUG	1.80	11.88	17.3	30.1	6.6	15.2	17.6
1N	MTG TRUST AMER	NY-MT	3860	14.14	0.00	AUG	0.67	6.50	8.3	8.3	9.7	0.0	25.1
3	NATIONWIDE RE	OC-NRELS	1047	24.40	0.46	SEP	0.48	13.50 X	1.0	8.0	28.1	3.6	14.1
2	WESTERN MTG	BO-WMTGS	1003	8.22	0.20	AUG	0.03	3.00	-14.3	-11.2	100.0	6.7	3.0
GROUP AVERAGE			2060	16.03	0.91		1.01	9.92	1.4	7.8	9.8	9.1	256.9
LONG-TERM MTGS & PROPERTIES													
NR	DEL-VAL FIN CP*	OC-DVALS	1345	9.36	1.44	JUN	1.40	9.50 X	4.0	-9.5	6.8	15.2	12.8
1	HOSPITAL MTG #	AS-HMG	1178	23.45	0.60	AUG	0.44	9.63 X	5.7	10.1	21.9	6.2	11.3
1	MASSMUTUAL MTG	NY-MML	4670	19.76	1.40	JUL	1.45	11.50	7.0	-8.0	7.9	12.2	53.7
3	MONY MTG INV	NY-NYM	8952	9.79	0.92	AUG	0.92	7.63	-1.5	0.0	8.3	12.1	68.3
3	NW MUT LIFE MTG	NY-NML	4758	19.06	1.00	SEP	1.20	9.25	0.0	-7.5	7.7	10.8	44.0
1	PACIF SOTHRN MT	OC-PSMTS	800	12.08	1.20	JUN	0.97	8.38	4.8	21.8	8.6	14.3	6.7
3	PNB MTG & RLTY	NY-PNI	4759	17.41	1.08	SEP	0.00	8.75	12.9	4.4	0.0	12.3	41.6
4	REALTY REFUND	NY-RRF	1377	17.34	1.44	OCT	1.44	11.13	-3.2	-14.4	7.7	12.9	15.3
2	RLTY & MTG PAC	OC-RPACS	1890	18.34	1.60	AUG	1.80	15.25	14.0	24.5	8.5	10.5	28.8
2	UNITED RLTY TR	AS-URT	3610	17.63	1.00	AUG	0.96	9.25	0.0	13.8	9.6	10.8	33.4
GROUP AVERAGE			3334	16.42	1.17		1.06	10.03	7.3	2.3	9.5	11.6	315.9
MTG & FORECLOSED PROPERTY-MISC SPONSOR													
2N	BT MTG INVSTRS	NY-BTM	2116	0.99	0.00	JUN	3.79	1.88	7.4	50.4	0.5	0.0	4.0
2N	YCMT INVESTMT TR	OC-CMTIS	2030	2.85	0.00	SEP	0.00	1.88	-6.0	25.3	0.0	0.0	3.8
3N	HEITMAN MTG INV	AS-HTM	3292	1.44	0.00	SEP	0.03	1.88	7.4	36.2	62.7	0.0	6.2
2N	MISSION INV TR	AS-MIT	1812	5.95	0.00	AUG	0.99	7.00	7.7	51.2	7.1	0.0	12.7
3N	NORTH AMER MTG	NY-NAM	6901	5.65	0.00	SEP	0.00	3.50	21.5	27.3	0.0	0.0	24.2
GROUP AVERAGE			3230	3.38	0.00		0.96	3.23	8.5	40.2	3.4	0.0	50.9

RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)													
5N	AMER REALTY	OC-ARB	2222	3.14	0.00	JUN	0.10	3.00	-7.7	50.0	30.0	0.0	6.7
3N	BAY COLONY PROP	NY-BAY	3315	6.27	0.00	AUG	0.00	6.50	-2.0	62.5	0.0	0.0	21.5
3N	CITIZENS GROWTH	OC-CITGS	811	7.01	0.00	JUL	0.00	3.50	-22.2	27.3	0.0	0.0	2.8
2	FRANKLIN RLTY	AS-FR	999	8.33	0.06	SEP	0.00	9.88	-4.8	97.6	0.0	0.6	9.9
2N	INDIANA FCL INV	OC-IFII	1154	9.12	0.00	SEP	0.00	3.25	-10.5	-7.1	0.0	0.0	3.8
2N	KENILWORTH RLTY	NY-KRT	2609	21.81	0.00	MAY	1.03	26.88	1.4	138.9	26.1	0.0	70.1
2N	SAUL (BF) REIT	NY-BF	5893	4.33	0.00	JUN	0.22	6.63	-7.0	3.9	30.1	0.0	39.1
1N	SECURITY MTG	AS-SMO	7412	5.86	0.00	SEP	0.12	3.13	0.0	-7.4	26.1	0.0	23.2
2N	US REALTY INV #	NY-UTY	3395	14.33	0.00	JUN	0.60	7.63	10.9	56.4	12.7	0.0	25.9
2N	WALTER REALTY	OC-WALJS	1035	7.93	0.00	JUL	0.31	5.25	10.5	13.4	16.9	0.0	5.4
2	WISCONSIN REIT	OC-WRLTS	1514	5.15	0.08	SEP	1.07	4.00	6.7	145.4	3.7	2.0	6.1
GROUP AVERAGE		2760	3.48	0.01	0.31	7.24	-0.8	61.2	23.1	0.2	-14.6	3.7	214.5
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT													
2N	ANRET INC	PH-ARLT	509	21.75	0.00	MAY	0.00	8.25	-10.8	-17.5	0.0	0.0	4.2
4N	BUILD INV GRP	OC-BULDS	2929	0.21	0.00	JUN	3.00	2.19	12.9	-3.0	0.0	0.0	6.4
2N	CAPITAL MTG	PH-GMU	1675	-0.88	0.00	SEP	0.00	0.31	-72.6	-64.8	0.0	0.0	0.5
5N	VJCITIZENS MTG	OC-CZH	1421	-17.17	0.00	SEP	0.00	0.25	-37.5	0.0	0.0	0.0	0.4
1N	COMPASS INV GR	OC-GMPSS	3319	3.86	0.00	SEP	0.01	1.06	6.0	-15.2	106.0	0.0	3.5
4N	VJCONTINENTAL MTG	OC-CMI	20838	-5.94	0.00	APR	0.70	0.28	-12.5	47.4	0.4	0.0	5.8
2N	DIVERSIFIED MTG	NY-DMG	7326	8.00	0.00	SEP	0.00	4.63	15.8	27.5	0.0	0.0	33.9
3N	VJDOMINION M&R	OC-DMRTS	639	-9.06	0.00	AUG	0.82	1.25	0.0	42.0	1.5	0.0	0.8
1N	EASTOWER CORP	OC-EASTS	1034	16.19	0.00	SEP	2.96	12.25	0.0	63.3	4.1	0.0	12.7
2N	FIRST CARO INV	OC-PCARS	1510	14.45	0.00	SEP	0.00	6.50	1.9	-20.0	0.0	0.0	9.8
2N	FIRST MTG INVST	OC-FMTGS	8495	-3.70	0.00	JUL	2.01	1.06	0.0	68.3	0.5	0.0	9.0
2N	FIRST NEWPORT R	OC-FNRS	2339	3.66	0.00	JUL	0.15	2.38	0.0	72.5	15.9	0.0	5.6
3N	FIRST VIR REIT	OC-FVM	1208	7.96	0.00	JUN	1.28	3.13	4.3	126.8	2.4	0.0	3.8
2N	GREAT AMER M&I	OC-GAMI	7372	-0.94	0.00	APR	0.00	3.00	14.1	689.5	0.0	0.0	22.1
2N	GROWTH REALTY	NY-GRW	2059	6.86	0.00	SEP	0.00	4.38	-2.7	9.5	0.0	0.0	9.0
3N	VJGUARDIAN MTG	PH-GMI	3000	-11.72	0.00	AUG	0.74	1.00	23.5	78.6	1.4	0.0	3.0
3N	HAMILTON INV TR	OC-HAMTS	2175	5.28	0.00	SEP	0.00	2.88	-11.4	44.0	0.0	0.0	6.3
2N	HOMAC-BARNES	OC-HOMC	1910	9.02	0.00	JUN	0.00	1.88	0.0	0.0	0.0	0.0	3.6
3N	INSTITUTIONAL INV	NY-INV	6798	1.19	0.00	JUL	0.00	1.00	-20.0	-50.0	0.0	0.0	6.8
2N	KENTUCKY PROPTY	OC-KMTGS	1100	3.22	0.00	MAY	0.20	2.13	13.3	0.0	10.7	0.0	2.3
5N	Y LIFETIME COMMUN	OC-LFMS	6666	3.10	0.00	JUL	0.16	0.75	-25.0	19.0	4.7	0.0	5.0
2N	LINCOLN MTG	OC-LNMG	1155	0.72	0.00	JUN	0.00	3.00	50.0	59.6	0.0	0.0	3.5
1N	MARYLAND REALTY	OC-MDRTS	760	8.29	0.00	AUG	0.00	3.00	-17.4	-5.7	0.0	0.0	2.3
3N	Y METROPLEX RLTY	OC-JMI	11840	0.95	0.00	JUN	0.05	0.50	-20.6	31.6	10.0	0.0	5.9
2N	MIDLAND MTG	NY-MID	2382	0.37	0.00	JUN	0.20	2.88	21.0	64.6	14.4	0.0	6.9
1N	MORAGA CORP	OC-MORA	1355	8.13	0.00	JUL	0.24	5.50	15.8	75.7	22.9	0.0	7.5
4N	MTG INV WASH	OC-MIWS	2146	3.79	0.00	JUN	0.02	2.38	0.0	36.0	119.0	0.0	5.1
4N	Y NATIONAL MTG	OC-NMF	3707	2.18	0.00	AUG	0.01	0.63	-16.0	-13.7	63.0	0.0	2.3
3N	NEWCORP INC	NY-NWC	3854	0.39	0.00	AUG	0.00	3.00	0.0	14.1	0.0	0.0	11.6
3N	Y NJB PRIME INV	OC-NJSS	1850	4.43	0.00	AUG	0.50	3.00	-14.3	200.0	6.0	0.0	5.6
1N	PARKWAY COMPANY	OC-PKWS	1055	7.79	0.00	SEP	0.00	5.00	11.1	66.7	0.0	0.0	5.3
4N	PLAZA REALTY	OC-PRIS	1114	0.68	0.00	JUN	0.00	1.50	0.0	70.5	0.0	0.0	1.7
3N	REPUBLIC MTG	NY-RMI	2107	2.90	0.00	SEP	0.00	1.50	0.0	8.7	0.0	0.0	3.2
2N	SO ATLANTIC FIN	NY-SAT	2706	3.73	0.00	JUL	1.05	3.50	7.7	16.7	3.3	0.0	9.5
1N	TIERCO	OC-TIERS	2355	6.97	0.00	SEP	0.04	2.88	3.5	47.5	97.0	0.0	9.1
2N	TRECO INC	OC-TREC	2299	1.24	0.00	SEP	0.11	1.31	-5.1	23.6	11.9	0.0	3.0
4N	UNET TRUST	NY-UAT	2109	-0.22	0.00	AUG	0.00	2.38	5.8	26.6	0.0	0.0	5.0
2N	WESTPORT COMPANY	OC-WSPTS	2388	4.51	0.00	JUL	0.00	3.38	-3.4	38.5	0.0	0.0	8.1
GROUP AVERAGE		3408	2.95	0.00	0.30	2.81	0.6	26.1	9.5	0.0	-4.7	10.0	250.1
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR													
3N	AMER FLETCHER M	OC-AFM	1352	1.26	0.00	JUL	0.00	1.63	-18.5	0.0	0.0	0.0	2.2
2N	CAMERON-BROWN	NY-CB	2016	9.53	0.00	SEP	0.01	3.63	11.7	38.0	363.0	0.0	7.3
5N	VJCHASE MAN MTG	OC-CMR	5267	-5.49	0.00	AUG	0.37	0.75	-14.8	50.0	2.0	0.0	4.0
NR	CITINATL DEV	OC-N/A	600	13.24	0.00	JUN	0.06	9.00	-2.7	20.0	150.0	0.0	5.4
3N	CITIZENS&SO RLTY	NY-SM	6438	2.06	0.00	SEP	0.01	1.63	0.0	44.2	163.0	0.0	10.5
1	CLEVERTRUST RLTY	OC-CTRS	2525	10.77	0.20	JUN	0.15	6.63	-1.8	76.8	44.2	3.0	16.7
1N	FIDELCO GROWTH	AS-FGI	1580	9.86	0.00	AUG	1.82	4.50	5.9	9.0	2.5	0.0	7.1
2N	FIRST DENVR MTG	OC-FDMS	1621	7.48	0.00	JUN	0.07	2.75	-15.4	29.1	39.3	0.0	4.5
2N	FIRST MEMPH RLTY	OC-FMEMS	1156	6.29	0.00	AUG	0.00	4.50	5.9	63.6	0.0	0.0	5.2
4N	FIRST PLWN MTG	NY-FPM	2961	1.25	0.00	JUL	0.00	1.63	8.7	8.7	0.0	0.0	4.8
3N	FIRST WISC MTG	OC-FWMTS	1988	5.43	0.00	JUN	0.01	7.13	46.1	147.6	713.0	0.0	14.2
4N	INDEPENDENCE MT	OC-INDGS	2500	-3.82	0.00	MAR	0.05	2.63	0.0	163.0	52.6	0.0	6.6
2N	KRI-SOUTH MTG	NY-TSI	2903	5.73	0.00	SEP	0.27	3.00	14.1	33.3	11.1	0.0	8.7
2N	WACHOVIA RLTY	NY-WRI	3335	8.88	0.00	AUG	0.00	5.13	24.2	32.2	0.0	0.0	17.1
GROUP AVERAGE		2589	5.18	0.01	0.20	3.90	6.5	44.8	19.3	0.4	-24.7	3.9	114.3
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS													
3N	AMER CENTURY MI	NY-ACT	2607	5.38	0.00	SEP	0.39	4.63	8.9	47.9	11.9	0.0	12.1
3N	CI MTG GROUP	PH-CI	4812	6.84	0.00	JUL	0.44	5.63	-6.2	87.7	12.8	0.0	27.1
2N	GMR PROPERTIES	NY-GMR	2957	2.29	0.00	AUG	0.00	2.13	-10.5	13.3	0.0	0.0	6.3
3N	IDS REALTY	OC-IDR	2409	6.97	0.00	JUL	0.81	3.38	4.0	144.9	4.2	0.0	8.1
2N	STATE MUTUAL IN	NY-SMU	2786	9.46	0.00	SEP	0.35	4.25	-3.0	-3.0	12.1	0.0	11.8
GROUP AVERAGE		3114	6.19	0.00	0.40	4.00	-1.2	45.4	10.1	0.0	-35.3	6.4	65.4
PREFERRED STOCK & REIT FUNDS													
NR	CMT INV TR-PFD	OC-CMTIP	2149	7.50L	0.00	SEP	0.00	2.00	-6.1	-16.0	0.0	0.0	4.3
NR	CYPRUS CORP	AS-CYC	1425	1.23N	0.00	OCT	0.00	2.38	-13.5	19.0	0.0	0.0	3.4
NR	CYPRUS-PFD	AS-CYCPR	660	21.15C	1.70	---	0.00	13.38	-1.8	-2.7	0.0	12.7	8.8
NR	RET INCOME	AS-RET	3794	3.14N	0.00	MAR	0.14	3.25	3.8	62.5	23.2	0.0	12.3
NR	RET-\$4.38 PFD	AS-RETPR	575	51.63C	4.38	---	0.00	43.50	0.3	2.4	0.0	10.1	25.0
NR	TRECO-PFD A I	OC-N/A	779	1.00L	0.00	---	0.00	0.75	0.0	19.0	0.0	0.0	0.6
NR	TRECO-PFD ALL	OC-N/A	260	1.00L	0.00	---	0.00	0.25	0.0	0.0	0.0	0.0	0.1
GROUP AVERAGE		1377	12.38	0.87	0.04	9.36	1.5	3.1	242.6	9.3	-24.4	0.3	54.5

* GROSS CASH FLOW. # NET CASH FLOW, SEE P. 6. TRUSTS REPORTED ON A CASH FLOW BASIS AND DENOTED WITH "N" or "M" SYMBOL: BOOK VALUE INCLUDES ACCUMULATED DEPRECIATION. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS AND NON-RECURRING ITEMS NOT ANNUALIZED. -0.0 IN % PRICE TO BOOK INDICATES NEGATIVE BOOK VALUE. PH-PHILADELPHIA EXCHANGE. PS-PACIFIC EXCHANGE. BO-BOSTON EXCHANGE. NR-NOT RANKED. VJ-IN BANKRUPTCY REORGANIZATION. Y-CHAPTER XI REORGANIZATION COMPLETED. BID PRICES SHOWN FOR ALL OVER THE COUNTER STOCKS.

AMERICAN EQUITY, ICM REALTY, NATIONWIDE RE AND WISCONSIN REIT DIVIDENDS TRAILING 12 MONTHS. NATIONWIDE EARNINGS TRAILING 12 MONTHS. L-LIQUIDATING VALUE. N-NET ASSET VALUE. C-CALL PRICE. NR-NOT RANKED. TRECO PFD. SERIES I CONVERTIBLE AT \$1.62 EARNINGS SHOWN FOR CITIZENS MTG. ARE SEPT. 1978. CONTINENTAL MTG. EARNINGS FOR 13 MONTHS ENDED APR. 30, 1979.

GROUP CHANGE: EQUITABLE LIFE MTG & RLTY FROM LONG-TERM MTGS & PROPERTIES TO SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR. BT MTG INVSTRS FROM LONG-TERM MTGS & PROPERTIES TO MTG & FORECLOSED PROPERTY-MISC SPONSOR.

CONVERTIBLE DEBENTURES

STRAIGHT BONDS

DEBENTURE	EX	INT (%)	MAT	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE	ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
ALAMAND CORP	OC	6.50	'91F	27.75	50.00	13.0	-7.3	13.87	5.50	BAY COLONY PROP-B	PS	8.50	'89	15.2	65.00	-4.3	13
AMER CENTURY	AS	7.00	'90	17.12	59.00	11.9	-6.2	10.10	4.63	BAY COLONY PROP-C	NY	8.50	'81F	6.8	90.00	3.3	9
AMER CENTY'B	NY	6.75	'91	23.86	58.00	11.6	1.8	13.83	4.63	BT MTG INV-C	OC	5.75	'82	19.4	66.50	-0.6	8
AMER REALTY	OC	7.00	'84F	10.40	68.00	DEF	-2.8	7.07	3.00	CHASE MAN TR-A	OC	7.88	'78F	36.7	80.00	5.3	VJ
BANKAMERICA	OC	6.75	'90	21.00	73.00	9.2	-8.7	15.33	15.75	CHASE MAN TR-C	OC	7.50	'83	41.2	43.00	2.4	VJ
BAYSWATER	OC	6.75	'91	21.00	58.00	11.6	5.5	12.18	9.50	CITZN & SO RLY-CD#	PS	3.00	'93	2.9	65.00	0.0	4
CAPITAL MTG	OC	6.50	'91	33.00	45.00	14.4	-13.4	14.85	0.31	CITZNS MTG INV-B	OC	8.50	'80	20.0	30.00	-3.1	VJ
CHASE MANHTN	OC	6.50	'96F	55.00	43.00	VJ	2.4	23.65	0.75	CMEI-C	NY	6.50	'82F	30.0	65.88	-0.8	9
CHASE MANHTN	OC	11.63	'97	2.25	43.00	VJ	2.4	0.96	0.75	CONT ILL RLTY-B	NY	7.63	'79	25.0	98.00	0.4	7
COMPASS GP	OC	8.25	'98F	1.35	112.00	7.4	12.0	1.51	1.06	DOMINION MTG-C	OC	8.00	'87	11.0	58.00	-3.2	VJ
CONN GENERAL	NY	6.00	'96	32.50	74.00	8.1	0.7	24.05	23.00	FIRST MTG INV-A	OC	6.75	'82	7.7	75.00	-6.2	9
CONTINL MTG	OC	6.25	'90	19.79	37.00	VJ	-5.0	7.32	0.28	FIRST VA MTG-A	OC	4.00	'80	14.9	75.00	2.7	5
EQUITBL LF M	NY	6.75	'90	26.25	75.00	9.0	0.0	19.68	14.75	FIRST VA MTG-BM	OC	12.00	'80	5.0	83.00	-1.1	14
FIRST NEWPT	OC	6.75	'91F	27.50	42.00	16.1	-6.6	11.55	2.38	GMR PROPERTIES-B	AS	7.70	'80	4.2	97.50	-0.4	7
FIRST PENN M	OC	6.75	'91F	8.65	48.00	14.1	2.1	4.15	1.63	GMR PROPS-B	PS	8.50	'87	15.3	70.00	-1.3	12
FIRST UNION	NY	8.75	'99	18.00	94.00	9.3	0.0	16.92	14.38	GREAT AMER MGMT-R	OC	3.00	'90	15.0	45.00	0.0	6
FRANKLIN RLY	AS	7.00	'89	10.00	100.25	7.0	-6.2	10.02	9.88	GREAT AMER MGMT-C	OC	1.10	'91	8.7	41.00	0.0	2
HANOVER SQ R	AS	7.25	'92	21.00	68.00	10.7	-6.7	14.28	6.00	GROWTH RLTY-B	NY	6.75	'82	9.2	75.38	-0.7	9
HEITMAN MTG	AS	7.50	'92	14.70	63.50	11.8	-3.7	9.33	1.88	GUARDIAN MTG-B	PH	7.50	'79F	25.0	50.00	2.0	VJ
HOTEL INVSTR	OC	7.75	'90	21.00	88.00	8.8	-7.3	18.48	19.50	GUARDIAN MTG-C	PH	6.75	'86F	8.6	36.00	2.9	VJ
HOTEL INVTRS	OC	7.50	'91	25.25	74.50	10.1	0.7	18.81	19.50	IDS REALTY-H	OC	-----	-----	86.0	65.00	8.3	NC
LINCOLN MTG	OC	8.00	'90	11.00	54.00	14.8	0.0	5.94	3.00	INST INVESTOR-B	OC	8.25	'87	15.2	57.00	-10.8	14
MASSNUTL MTG	NY	6.75	'90	21.00	76.50	8.8	0.0	16.06	11.50	INSTINL INV-B	NY	7.88	'80F	5.5	85.00	-7.5	9
MASSMUTUAL M	NY	6.25	'91	33.50	62.00	10.1	-3.8	20.77	11.50	METROPLEX-B	OC	7.75	'79F	9.6	72.00	-3.9	0
MIDLAND MTG	OC	7.00	'86	16.67	51.00	13.7	-3.7	8.50	2.88	MIDLAND MTG-B	NY	8.00	'80	14.6	94.50	0.0	8
MONY MTG IN	NY	7.00	'90	11.00	81.50	8.6	-1.7	8.96	7.63	MTG INV WASH-BG	OC	12.00	'80	15.0	84.00	0.0	14
MTG INV WASH	OC	8.00	'90	15.00	53.00	15.1	6.0	7.95	2.38	NATIONWIDE RE-C	OC	7.00	'91	6.5	60.00	0.0	11
NOWSTRN MUTL	NY	6.00	'91	21.00	71.00	8.5	0.0	14.91	9.25	NO AMER MTG-B	PS	8.50	'87	12.1	62.00	-16.1	13
PAC REAL TR	AS	7.00	'92	26.25	88.00	8.0	-3.2	23.10	21.88	REALTY REFUND	NY	11.38	'98	20.0	88.00	-2.1	12
PNB MTG	AS	6.75	'91	20.00	57.00	11.8	-13.5	11.40	8.75	REALTY REFUND-C	NY	12.00	'98	15.0	87.50	-1.6	13
PNB/SUTRO	NY	6.75	'82	20.00	81.50	8.3	-1.1	16.30	8.75	SAUL (B.F.)-C	NY	8.50	'80	25.0	96.53	0.0	8
RAM PACIFIC	OC	6.75	'91	21.00	67.00	10.1	-4.2	14.07	15.25	SECURITY MTG	AS	7.25	'82	35.0	85.63	-0.3	8
REALTY INCOM	AS	8.00	'91	18.00	72.25	11.1	0.0	13.00	10.25	SECURITY MTG-C	OC	6.00	'82	5.3	70.00	-6.6	8
REPUBLIC MI	NY	9.00	'90	19.00	98.63	9.1	-1.3	18.73	1.50	SO ATLANTIC-C#	NY	6.75	'82F	16.9	77.75	7.4	8
SAUL (BF) RL	OC	6.50	'91	23.00	55.50	11.7	-0.8	12.76	6.63	STATE MUT INV-B	NY	9.00	'80F	6.2	97.00	0.0	9
SAUL(BF) REI	OC	8.00	'90	15.50	71.00	11.3	1.4	11.00	6.63	TRECO-C	OC	6.75	'91	5.3	45.00	-4.2	15
STATE MUTUAL	AS	6.75	'91	21.00	67.75	10.0	1.9	14.22	4.25	TRI-SOUTH MTG-B	NY	7.75	'80F	11.4	92.75	3.1	8
TRECO	OC	8.50	'98	1.62	95.00	8.9	0.0	1.53	1.31								
TRI-SO / SR	PH	10.00	'88	2.50	120.00	8.3	9.1	3.00	3.00								
TRI-SOUTH MI	NY	7.00	'92F	29.50	49.00	14.3	-10.0	14.45	3.00								
US REALTY IN	NY	5.75	'89	20.20	55.50	10.4	-7.4	11.21	7.63								
WESTPORT CO	OC	6.75	'91	21.00	52.00	13.0	-1.8	10.92	3.38								

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-3% TO 9/30/82, 7% AFTER. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES, A-E: 6-7/8%, 7-1/8%, 7-3/8%, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.
X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT.
#-MAY BE USED AT PAR TO EXERCISE WARRANTS.
F-TRADES FLAT, WITHOUT ACCRUED INTEREST.

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ=IN BANKRUPTCY REORGANIZATION.
F=TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF=IN DEFAULT.
PH=PHILADELPHIA EXCHANGE. PS=PACIFIC EXCHANGE.

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of qualified real estate investment trusts, displayed on page 4, and formerly qualified trusts and corporations, displayed on page 5. Only historical data, or annualizations of latest quarterly data, are used and thus results should not be read as estimates or projections. Investors are advised to consider carefully the following distinctive characteristics of REIT stocks compared with other industrial or financial securities:

Annualized Dividend and Yield: Most qualified REITs do not pay a posted regular annual dividend rate but instead pay their approximate earnings (or net cash flow) for each quarter. They do this because REITs are required to pay 90% (95% beginning 1980) of earnings to shareholders in order to qualify for exemption from Federal income taxes. This means that REIT dividends will vary from quarter to quarter much more than for industrial companies; The Wall Street Journal recognizes this variability by reporting most REIT dividends as "irregular." The outlook and stability of dividends are thus key factors in RTR's RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusting for any capital gains or special payouts. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to continue in subsequent quarters. For these reasons annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarterly earnings are multiplied by four. Zeroes indicate losses or no earnings for the indicated quarter. Losses per share are however shown in the monthly Earnings Trend summary and in

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
CI MTG	PH-CI-W	3/80	2854	20.00	1.0	0.01	5.63	255.4	-66.6	0.0
CITIZNS&SO-B*	PS-N/A	4/83	210	2.00	50.0	13.25	1.63	39.0	-12.3	2.8
FLATLEY RLTY	O-FLTLW	5/80	1000	10.00	1.0	0.38	5.50	88.7	0.0	0.4
HOMAC-BARNES	O-HOMCW	12/82	1910	20.00	1.0	0.02	1.88	964.9	0.0	0.0
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	2.00	19.00	15.8	33.3	1.0
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.50	11.88	13.6	100.0	0.4
MTG INV WASH	O-MINWW	3/80	931	15.00	1.0	0.03	2.38	531.5	0.0	0.0
NEWCORP	A-NWCW	2/82	740	24.63	1.0	0.38	3.00	733.7	-13.5	0.3
PNB MTG(B)	A-SUTW	6/82	700	20.00	1.0	0.69	8.75	136.5	-7.9	0.5
SAN FRAN REI	A-SFIN	12/80	1348	25.00	1.0	1.38	21.50	22.7	-7.9	1.9
UNITED RLTY	A-URTW	12/79	3610	20.00	1.0	0.02	9.25	116.4	0.0	0.1

*DEBENTURES USABLE IN LIEU OF CASH.
WTS PRICE OF .01 INDICATES TRADING IN MILLS.

NOTE: BUYERS ARE CAUTIONED THAT SPREADS BETWEEN BID AND ASKED PRICES FOR WARRANTS ARE VERY LARGE AND PRICES MAY VARY SIGNIFICANTLY.

RELATIVE APPEAL RANKINGS. Non-recurring items such as asset swap gains, reversals of loss reserves, etc., are not annualized for mortgage and mortgage/foreclosed property trusts.

For property or equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings if the trust uses cash flow as the basis for dividend payments. Net cash flow is defined as net income plus depreciation minus mortgage amortization, and net cash flow trusts are designated with the symbol "H" beside their names. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used and is denoted as "H*." Both earnings (EPS) and net cash flow (CFS) per share for these equity trusts are shown in RELATIVE APPEAL RANKINGS.

Book value per share is essentially tang-

ible net worth per share after deducting intangible items such as unamortized debt discount and expenses, goodwill, etc. Book value does not reflect any appreciation in asset values but does reflect deduction of a reserve for possible investment losses computed under AICPA rules. Accumulated depreciation is added back to net book value for cash flow trusts (denoted "H" - see above) as a means of approximating market value of properties. Components of this adjusted book value are reported in RELATIVE APPEAL RANKINGS.

Shares used in the statistics are the actual number of shares outstanding as of the latest balance sheet date and do not reflect potential dilution from debenture conversion, warrant exercise, or other common equivalent shares which may have been used in computing earnings per share.

EARNINGS TRENDS: GENERAL GROWTH PROPS.
CASH FLOW UP TO OPEN BUYING TIME

General Growth Properties closed its Sept. 1979 fiscal year with record net income and net cash flow. Yet accounting rules obscured the gains -- the same accounting rules impelling many public companies to quit the stock market. To date three operating companies -- Amterre Devel., Monumental Props. and Tishman Rlty. & Const. -- have decided to liquidate and a fourth, Ernest W. Hahn Inc., plans selling all its stock to one or more buyers (see our REDD service Nov. 16).

GGP, although a REIT, was swept up in this movement during 1979 and costs of investigating merger proposals cost 13¢/sh. in 1979. But because GGP's future remains open and its stock price has fallen 25% from its peak, investors can still take advantage of a unique opportunity in GGP shares.

First, look closely at GGP's performance during 1979 on a per-share basis:

<u>Net income</u>	<u>1979</u>	<u>1978</u>
Operating income.....	\$1.34	\$1.33
Gains on prop. sales..	0.12	0.15
Extraordinary expenses		
of merger proposals.(0.13)		---
Net income.....	\$1.33	\$1.48
<u>Net cash flow</u>		
Net operating cash....	\$1.87	\$1.68
Gains on prop. sales..	0.12	0.15
Extraordinary expenses		
of merger proposals.(0.13)		---
Net cash flow.....	\$1.86	\$1.83

The earnings report in The Wall Street Journal and other financial media included only the net income numbers and lumped property sale gains with operating income to present a picture of down earnings for GGP (i.e., \$1.46/sh. in FY 1979 vs. \$1.48/sh. in 1978). The nature of the extraordinary charge wasn't even reported. To the casual Wall Street investor, GGP came off looking like it had a so-so year.

But the net cash flow numbers -- which The Journal and others ignore by policy -- tell a different story: operating properties generated 11% more cash than 1978 -- and in fact were so strong that they let GGP absorb lower gains on sales

of assets and the merger proposal costs and still show a 1½% gain in cash flow.

Long-time subscribers will recognize here the makings of an opportunity -- because each time the reporting services obscure a good operating performance by a real estate company, it creates an opportunity for you, our subscribers, to capitalize on the market obfuscation.

Because GGP's net cash flow is a salable commodity in real estate terms -- free cash available for dividends or reinvestment -- it can be capitalized by investors. In GGP's case, the stock market is capitalizing the \$1.87 operating cash flow at 5½%, a rich but not unrealistic price. Moreover, net cash flow as reported includes 50¢/sh. pay-down of mortgage debt, which increases the shareholders' equity in GGP's properties. And since GGP's \$1.56 dividend has been about 58% tax-free return of capital in recent years, the 4.4% dividend yield equals about a 7% pretax return to a 50% bracket investor.

Subscribers will recognize that we have been cautious on GGP shares in recent months, ranking them No. 3-Average. We've done so because the shares have been subject to hectic bidding and speculation since Matthew, Martin & Maurice Bucksbaum, the three brothers who founded the trust and own 15% of its shares, offered \$30/sh. cash for the remaining shares nearly a year ago, Dec. 1, 1978. That price was topped by a proposal, never made formally, for \$35/sh., which in turn was topped by \$35.50 by the Bucksbaum brothers and then an aborted \$42.00-plus from Detroit shopping center developer A.Alfred Taubman. During that frenzied period GGP shares sold up to 47.

Now GGP has agreed to sell 10 of 31 shopping centers to Aetna Life Insurance for a net \$90 million or \$15/sh. over mortgages, although a New York shareholder has sued to stop the sale. Meantime GGP trustees have agreed to finish all centers in progress and then decide what to do next. GGP has fallen to about 35½.

All this has encouraged speculation on GGP's ultimate break-up value with some estimates running to \$60/sh. We

think it's somewhat less, although there is no telling what could happen in the heat of a bidding contest (as witness the snowballing bids which outstripped the original \$30/sh. offer over the past year). But now that things have settled

down, GGP shares once again have appeal. We are raising them to No. 1 ranking.

Earnings trends of trusts reporting in the last month were mixed. Among the equity trusts, other gainers included Denver REIA, up 31%; New Plan Realty, up 37%; San Francisco RE, up 3%, and Pennsylvania REIT, up 26% in its fourth quarter and 54% for its full fiscal year. Earnings declines were posted by Federal Realty, down 28%; First Union, down 22%; Washington RE, down 8%; and Consolidated Capital, with a loss of 3¢/sh. and net cash flow down 11%. First Union's decline reflects a 13% rise in shares outstanding which outweighed a 1.4% increase in net income and an 18% increase in net cash flow. Despite ConCap's loss, attributable mainly to sharply higher utility expenses, its monthly dividend has been boosted 6%, following a 5% increase last month.

Riviere Realty's loss widened to \$2.08/sh. in the September quarter, reflecting the acquisition of seven real estate investments and two parcels of land in Indianapolis, following default by a former borrower of the trust. The acquisitions were recorded for financial statement purposes at fair market value at the date of acquisition, which reflected poor occupancy levels. As a result, the trust booked a loss of \$1.6 million (\$2.04/sh.) in the third quarter from the transaction. All other real estate investments had strong operations; cash flow before the loss on recording the acquired properties amounted to 21¢/sh.

IRT Property Co.'s Sept. qtr. results represent the first full fiscal quarter for the entity resulting from the combination of Investors Realty and Summit Properties. Earnings are compared with the operating results of Investors Realty, with the Summit acquisition accounted for under the purchase method. The trust earned 60¢/sh., including 40¢/sh. in special items; the quarterly dividend of 20¢/sh. is a 33% increase over the last Investors Realty payment and the first payment to former Summit holders since 1975.

Other dividend increases were declared by Gould, San Francisco, and Nationwide; decreases by Commonwealth and Realty Refund.

New Earnings & Dividend Reports

Trust-Period ended	-----Latest quarter-----	-----Prev. Q-----	-----Yr.AgoQ-----	-----% Chng. From-----
	Th.\$/Spec'l#	EPS/Spec'l#	EPS/Spec'l#	Prev.Q Yr.Ago Q
Quarterly results: Qualified REITs:				
CMT Investment.Sep....	\$453	d0.11	0.13	d1.12/d92cZ Worse
Central Mtg....Sep....	179	0.23	0.29/3cR	0.54/32cG -12*
Consol. Cap....Aug-EPS	462	d0.03	0.02	d0.19 Worse
" " " "Aug-CFS	996	0.50	0.56	0.31 -31*
Denver REIA....Sep-EPS	228	0.21	0.48/32cG	0.25 +7*
" " " "Sep-CFS	492	0.45	0.74/32cG	0.51 -28
Federal Realty.Sep....	189	0.13	0.18	0.19 -22
First Union....Sep-EPS	1,514	0.21	0.27	-a- -3
" " " "Sep-CFS	1,735	0.31	0.32	-a- -13*
General Growth.Sep-EPS	2,303/d367GM	0.37/d6cGM	0.30/1cG	0.40/2cG +48*
" " " "Sep-CFS	3,123/d367GM	0.50/d6cGM	0.45/1cG	0.49/2cG +24*
Heitman Mtg....Sep....	106/800GS	0.03/24cGS	d0.18/d23cL	d0.27/5cG Worse*
IRT Property(b)Sep-EPS	1,238/782GN	0.60/40cGN	0.20	0.12 UC*
" " " "Sep-CFS	1,324/782GN	0.63/40cGN	0.26	0.19 -12*
Nationwide RE.Sep....	146	0.14	0.07	0.13 +100
New Plan Realty.Jul....	769	0.26	0.19	N11/d13cL +37
Prop. Tr. Amer.Sep....	1,058	0.68	0.54	0.87/41cG +26
Realty Refund.Oct....	496	0.36	0.40	0.42 -14
REIT of Calif.Sep....	256	0.40	0.37	0.36 +8
Riviere Rty....Sep-EPS	d1,630	d2.08	d0.17	0.18 Worse
" " " "Sep-CFS	d1,436	d1.83	d0.10	0.25 Worse
San Francisco.Sep-EPS	578	0.41	0.40	0.29 +3
" " " "Sep-CFS	648	0.46	0.43	0.35 +7
USP REIT....Sep....	523/476G	0.21/19cG	0.05	0.12/5cG -72*
Virginia REIT.Sep-EPS	107	0.10	0.10	0.10 UC
" " " "Sep-CFS	222	0.20	0.18	0.19 +11
Washington RE.Sep....	7,056/6,307S	4.64/4.15S	0.53	0.38 -8*
Quarterly results: Nonqualified trusts & corps:				
Cameron-Brown.Sep....	12	0.01	0.86/1.09S	0.09/36cS Better*
Capital Mtg....Sep....	d29/19S	d0.02/1cS	N11/5cS	d0.01 Better*
Citizens & So.Sep....	103/30S	0.01/0cS	-c-	1.77/1.86S -c-
Compass Inv....Sep....	36	0.01	0.05/1cNL	2.99/2.13S -75*
Diversified Mg.Sep....	d868	d0.12	d0.05	0.02 Worse
First Carolina.Sep....	d420	d0.27	0.13/10cNX	0.12/6cN Worse*
Growth Realty.Sep....	d278/692S	d0.13/34cS	0.03	d0.39 Worse*
Guardian Mtg....Aug....	2,193/1,053N	0.74/36cN	0.74/35cN	0.59/58cGN -3*
Hamilton Inv....Sep....	d183/488S	d0.08/22cS	d0.13	0.40/77cS Worse*
Indiana Fincl.Sep....	478	d0.07	d0.01/d8cL	0.09 Worse*
National Mtg....Aug....	54	0.01	0.16/22cS	0.03/4cR Better*
Newcorp....Aug....	d3,780	d1.00	0.48/27cSN	d0.01/6cS Worse*
Parkway Co....Sep....	d222	d0.21	0.13/10cT	0.03/1cG Worse*
State Mutual.Sep....	966/913NGR	0.35/33cNGR	0.19/20cNG	0.23/17cNG Better*
Treco Inc....Sep....	360/173N	0.11/5cN	0.08/4cN	0.04 +50*
Tri-South Mtg.Sep....	750/360N	0.27/13cN	1.90/1.66NI	1.34/1.20NZ -42*
Wisconsin REIT.Sep....	625/284N	0.41/19cN	0.05/2cN	0.01 +2100*
Annual results: All trusts & corps:				
Continental Mg.Apr.(e)	14,651/5,280N	0.90/25cN	d2.78/d2.40U	--- Better*
General Growth.Sep-EPS	8,247/d58GM	1.33/d1cGM	1.48/15cG	--- +1*
" " " "Sep-CFS	11,554/d58GM	1.86/d1cGM	1.83/15cG	--- +11*
New Plan....Jul....	2,323	0.87	0.68/4cG	--- +36*
Newcorp....Aug....	d2,650/1362SN	d0.69/35cSN	d0.33/73cS	--- Better*
Penn REIT....Aug....	3,378	2.18	2.30/88cG	--- +54*

Dividend declarations:

Record date	---Quarterly dividend/share---	---% Chng. from---
	Latest Previous Year-ago	Prev.Q Yr-ago
Central Mortgage.....11/12	0.15 0.15	UC
ClevedTrust Realty.....12/14	0.05 0.05	UC
Commonwealth Rty.....11/19	0.10 3% stk. 0.20	-50 -50
Consol. Cap. Realty.....11/16	0.19M 0.18M	0.1717M +6
Gould Investors.....12/14	0.32 0.30	0.22 +7
IRT Property Tr.....11/12	0.20 0.15	0.15 +33
Nationwide RE.....11/12	0.14 0.07	0.10 +100
New Plan Realty.....11/15	0.07M 0.07M	0.06M UC
Pittsburgh & W. Va. RR.12/7	0.14 0.14	0.14 UC
REIT of California.....10/1	0.32 0.32	0.32 UC
Realty Refund Tr.....11/30	0.36 0.40	0.42 -14
San Francisco RE.....11/9	0.44 0.40	0.35 +10
University RE.....11/28	0.08M 0.08M	0.06M UC
Virginia REIT.....11/20	0.20 0.20	0.20 UC
Wells Fargo M&E.....11/2	0.35 0.35	0.30 UC
Wisconsin REIT.....11/10	0.04 special	---

Trusts reducing dividends underlined.

UC=Unchanged. NM=Not meaningful. R=Restated. P=Preliminary. d=Deficit.

#--Special items included in both thousand dollar and share amounts are: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit or charge; R=Recovery of past-due interest or prepayment fees; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; W=Gain (loss) on mortgage re-financing; X=Settlement with adviser, sponsor, insurance company, or litigation with borrower; Y=Loss reserve credit; Z=Gain on debt restructuring via exchange or tender offers; M=Merger expense; U=Accounting charge.

* Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."

* Compared before special items.

a-No comparisons, First Union changed to December year. b-Results compared with May, 1979, and August, 1978, quarters. c-June quarter results unavailable. e-Results for 13 months ended in April, 1979, compared with 12 months ended in March, 1978; quarterly results unavailable.